

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
VERIZON NORTHWEST INC. FOR AN)	CASE NO. VZN-T-05-1
INVESTMENT TAX CREDIT FOR)	
INSTALLING QUALIFIED BROADBAND)	
EQUIPMENT)	ORDER NO. 29777
)	

On March 18, 2005, Verizon Northwest Inc. ("Verizon") filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing "qualified broadband equipment" in Idaho. To be eligible for the tax credit, the taxpayer must obtain an Order from the Commission confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment set out in *Idaho Code* § 63-3029I(3)(b). Briefly, qualified broadband equipment must be capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. In the case of a telecommunications provider, the qualified broadband equipment must also "be necessary to the provision of broadband service and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i).

THE APPLICATION

Verizon's Application states that it has installed central office equipment, fiber and copper cables, digital radio, and pairgain devices. This equipment is capable of transmitting data in excess of 200,000 bits per second to or from the consumer and will be used to provide DSL or high-speed data services. The Company indicates that the equipment is necessary and integral to its broadband network and is installed in the Bayview, Bonners Ferry, Clark Fork, Coeur d'Alene, Hayden Lake, Kellogg, Moscow, Mullen, Orofino, Pinehurst, Lummer-Worley, Post Falls, Priest River, Rathdrum, Sandpoint, Spirit Lake, St. Maries and Wallace exchanges. The Application states that Verizon has made more than \$10 million of investments in 2004. The Company claims that 100% of this investment will be used to provide service to Idaho customers.

STAFF REVIEW

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001. The Order identifies information that must be included in an Application for broadband credit. Once the information has been filed, then the Commission Staff reviews the Application and submits a recommendation to the Commission.

Staff has reviewed the list of broadband equipment submitted by Verizon. Staff has determined that Verizon is a telecommunications provider and believes that the equipment is “necessary for the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Therefore, Staff recommended that the Commission issue an Order approving Verizon’s Application.

COMMISSION FINDINGS

Based on our review of the Application and Staff recommendations, we find that the Application for a qualifying broadband equipment Order should be granted. Verizon has adequately demonstrated that it has installed qualifying broadband equipment identified in its Application in conformance with the requirements set forth in *Idaho Code* § 63-3029I. We further find that Verizon is a telecommunications carrier and, as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Verizon has installed broadband equipment as a precondition to seeking an Idaho broadband tax credit.


ORDER

IT IS HEREBY ORDERED that Verizon Northwest Inc.’s Application for an Order certifying it has installed qualifying broadband equipment is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* §§ 61-626, 63-3029I(4).

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5th
day of May 2005.



PAUL KJELLANDER, PRESIDENT

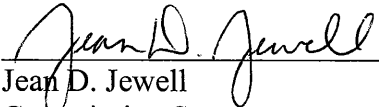


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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